

Action Item 000316-01



ACRI and CILS-TAT Impact
on Allowance Effectiveness

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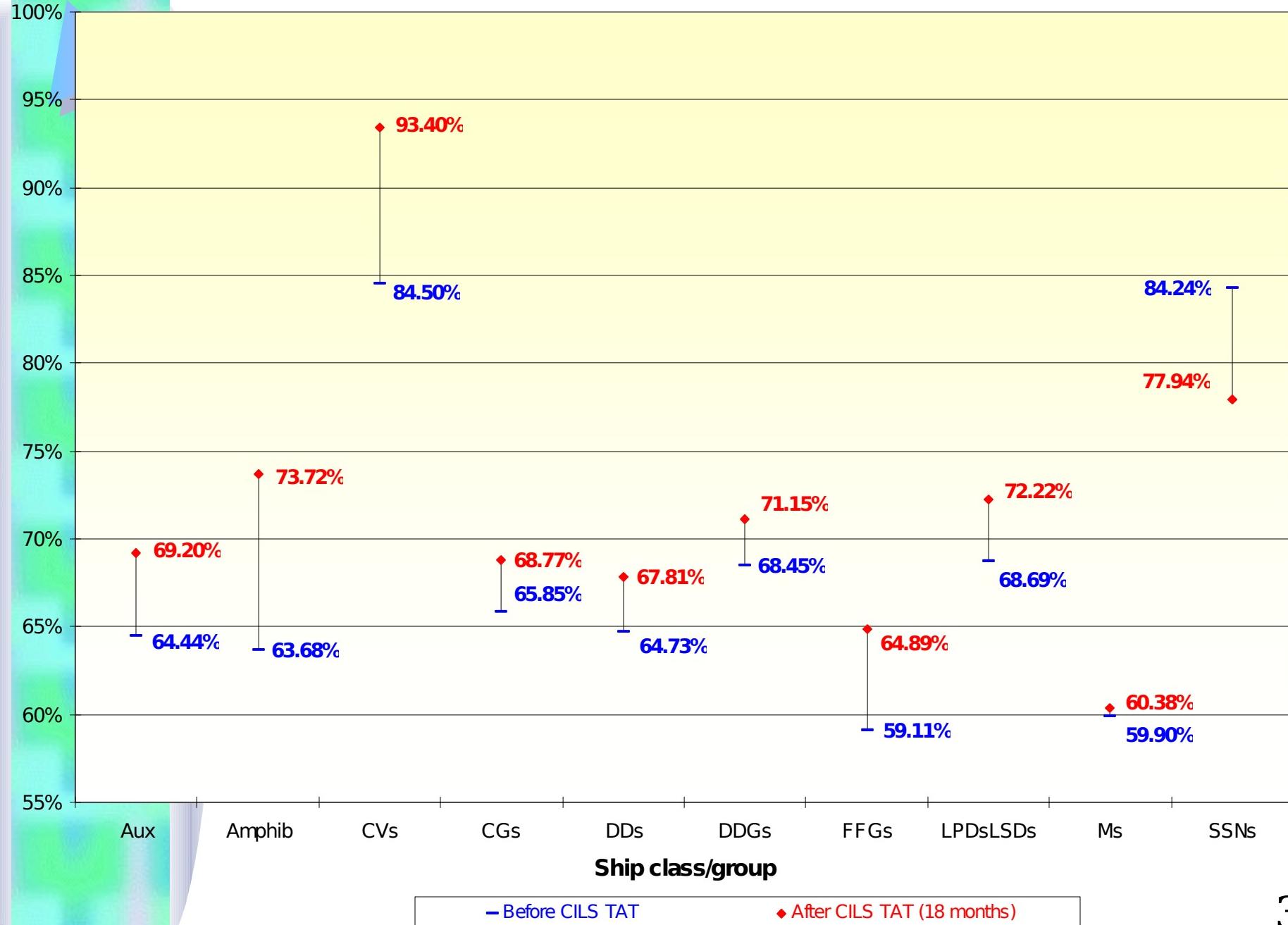
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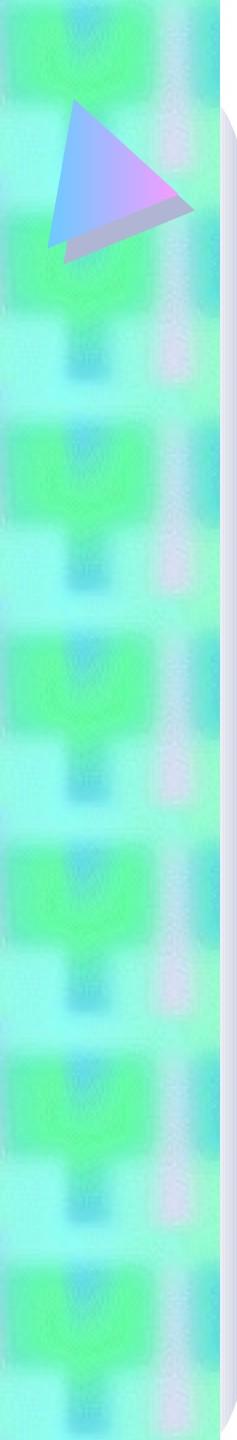


CILS-TAT Impact

- CILS-TAT Process Designed to Minimize Allowance Churn and Maximize ROI
- CILS-TAT Not Advertised to Improve Effectiveness
- 144 Ships Allowanced Since Jan 1999
 - Effectiveness Measured on 128 Ships
 - Allowance Effectiveness 18 mos. Prior to CILS-TAT compared to AE for 18 mos. After CILS TAT
 - On Average, 2% Improvement
 - Gross Effectiveness...COSAL Compared to CILS TAT
 - 1.5% Increase

CILS TAT PROGRESS





Allowance Churn Reduction Initiative (ACRI)

- Designed to Reduce Maintenance Allowance Churn Distributed Via ASI
 - Suppressed Allowances for Pen & Ink Actions, APL Revisions and Fully Supported RIC Supersessions
 - Allowances Still Provided for PMS, Safety, ACIP Actions and Special Projects (e.g. AT/FP)
- Effectiveness Impact: .1% Reduction
 - Consistent with Predicted Impact

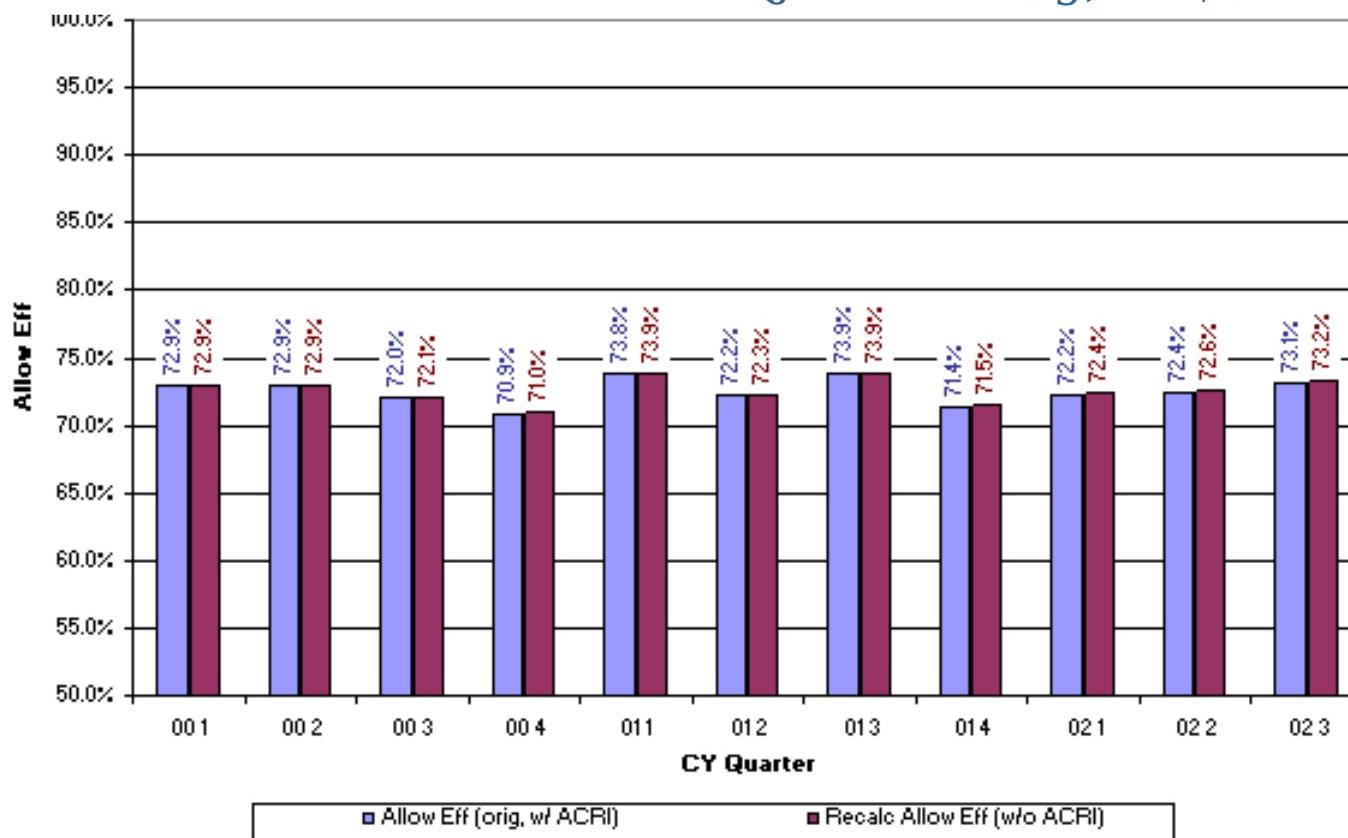
Effect of ACRI - Total Fleet

- Overall impact on Allowance Effectiveness since Jan 2000 is a decrease of .1%
- Cost avoidance:

CY '00 = \$12M

CY '01 = \$13M

CY '02 (Jan thru Aug) = \$6.7M



Effect of ACRI - Total Fleet

- Compared ACRI suppressed UIC/NIINs against Constellation BG CASREPs for a 2 year period (7/00 - 6/02)
- Constellation BG composition:

AOE-7 USS Rainier	FFG-43 USS Thach
CG-50 USS Valley Forge	LHA-1 USS Tarawa
CG-52 USS Bunker Hill	LPD-6 USS Duluth
CV-64 USS Constellation	LSD-47 USS Rushmore
DD-992 USS Fletcher	SSN-722 USS Key West
DDG-76 USS Higgins	SSN-771 USS Columbia
- Results: 2 C2 CASREPS; 0 C3/C4 CASREPS
 - SSN 771 - NIIN 9C 4310-01-456-2991, Reed Valve
 - DDG 69 - NIIN 7H 5963-01-438-7615, Electronic Module